

February 24, 2009

TO: Members of the MAG Regional Council

FROM: Councilwoman Peggy Neely, Phoenix, Chair

SUBJECT: REVISION TO THE FEBRUARY 25, 2009, REGIONAL COUNCIL AGENDA

A revision to agenda item #6, American Recovery and Reinvestment Act Update, on the February 25, 2009, Regional Council agenda is being made to reflect the discussion at the February 18, 2009, Transportation Policy Committee (TPC) meeting. At the TPC meeting, it was discussed that the distribution of the MAG sub-allocated American Recovery and Reinvestment Act (ARRA) funds would be deferred to the March MAG meetings to enable MAG staff to bring back additional information for consideration.

As discussed at the February 18, 2009, TPC meeting, action on the projects for the ARRA funds provided to the Arizona Department of Transportation (ADOT) is recommended due to a short time frame for ADOT to obligate the funds. In addition to approving a list of projects and forwarding them to ADOT, possible action on the distribution of the ADOT portion of the ARRA funds being allocated to the MAG region may be needed following the State Transportation Board action at their meeting on February 20, 2009. The action for this agenda item has been revised to reflect consideration of the list of projects for the portion of the ARRA funds provided to ADOT and to provide for possible action regarding the distribution of ARRA funds by the State Transportation Board.

Please contact the MAG Office if you have questions about the revision to the agenda.

ITEM PROPOSED TO BE HEARD

TRANSPORTATION ITEM

6. American Recovery and Reinvestment Act Update

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act. The national Highway Infrastructure Investment component of the legislation is \$27.5 billion. The State of Arizona is expected to receive \$521.9 million for highway infrastructure. For transit, \$8.4 billion was allocated nationally. Arizona is expected to receive \$100.5 million.

6. Information, discussion and possible action to approve the MAG list of projects for the portion of the American Recovery and Reinvestment Act funds provided to the Arizona Department of Transportation and to consider the allocation of American Recovery and Reinvestment Act funds provided by the State Transportation Board to the MAG region.

The legislation contains \$1.5 billion nationally for a competitive grants component.

For the highway portion, the Arizona Department of Transportation (ADOT) has 120 days to obligate 50 percent of the funding. The ADOT portion is \$349.7 million plus \$15.66 million for transportation enhancements. The legislation also sub-allocates 30 percent of the funding (\$156.57 million) to local jurisdictions. The amount being suballocated to MAG has not been officially transmitted yet by the Federal Highway Administration, however, MAG staff believes about \$88 million would be allocated directly to the MAG region. Metropolitan Planning Organizations have one year to obligate the funds.

The regional portion for transit is in the range of \$65 million to \$75 million. The legislation requires that 50 percent of the transit funds be obligated within 120 days. Transit planning staff has a working group meeting scheduled for February 19, 2009, to review potential projects for funding.

The federal planning requirements for the funds remain. Federal law requires that the financial plan be developed by the MPO in cooperation with the state and transit operator. The state and transit operator must provide the MPO with estimates of available federal and state funds. Also, projects for federal discretionary funds need to be cooperatively developed between MAG and ADOT. MAG has been holding workshops to further refine the list of projects to determine which projects are ready to implement. Coordination is ongoing with ADOT to determine the ADOT discretionary amount for this region and the projects to be selected. A report will be provided to the Transportation Policy Committee on February 18, 2009, regarding the progress being made on the revenue estimate and the selection of projects. The State Transportation Board will be meeting on these issues on February 20, 2009.

Depending on the progress being made, the ADOT discretionary projects for this region may

be ready for consideration. This is important due to the shorter time frame for ADOT to obligate projects (120 days). The transit projects also have a short time period to obligate transit projects (180 days). If agreement is reached on the transit projects, possible action may be considered. It is anticipated that updated information will be forwarded following the mailing of the agenda. It is expected that the projects for suballocation may be ready at a future meeting. The TPC will discuss the suballocation process at its meeting on February 18, 2009, and a report will be provided to the Regional Council.